

TRANSLATIONAL RESEARCH AGREEMENT

THIS TRANSLATIONAL RESEARCH AGREEMENT (this “**Agreement**”) is entered into this 30th day of October, 2015 (the “**Effective Date**”) by and between The Carle Foundation and its affiliates and subsidiaries, including, but not limited to The Carle Foundation Hospital and Carle Physician Group (collectively, “**Carle**”) and The Board of Trustees of the University of Illinois, acting for its Urbana-Champaign campus (“**University**”). Each party may be referred to individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

A. The Parties desire to expand and enhance collaborative translational research activities and innovation at the University, Carle and throughout the Champaign-Urbana community (“**Translational Research Program**”); and

B. In order to achieve this shared goal and build upon their respective academic and clinical expertise, each Party desires to contribute certain resources consistent with the goals and objectives described herein and as contemplated at Section 2(a)(i)(3) of their Affiliation Agreement effective August 1, 2015, establishing the Carle Illinois College of Medicine (“**Affiliation Agreement**”); and

C. The financial and in-kind resources set forth generally in this Agreement are in no way intended to limit the Parties' ability to collaborate on and to fund other translational research activities consistent with their goals.

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

TERMS OF AGREEMENT

1. Carle's Commitment of Financial Assistance.

(a) Carle will pay to the University a grant of financial assistance not to exceed One Million Five Hundred Thousand Dollars (\$1,500,000) annually throughout the Term (the “**Carle Funding**”), contingent on an equivalent annual contribution of certain in-kind translational research services and resources by the University (“**TR Support**”) not to exceed a value of One Million Five Hundred Thousand Dollars (\$1,500,000).

(b) The Parties acknowledge and agree that any disbursement of Carle Funding is expressly contingent upon approval by Carle's Chief Financial Officer (“**CFO**”) of the nature and value of University's TR Support, as well as compliance with the funds administration procedure set forth below in Section 3.

(c) The Carle Funding, contemplated at Section 2(a)(i)(3) of the Affiliation Agreement, shall be used solely for the purpose set forth in that section of the Affiliation Agreement. Consistent with Parties' intent in the Affiliation Agreement, the Carle Funding is not immediately payable upon execution of this Agreement but, rather, is payable in accordance with

Section 3 below. For clarity sake, in the event of any conflict between the terms of Section 2(a)(i)(3) of the Affiliation Agreement and this Agreement, this Agreement shall control.

2. University's Commitment of TR Support. In furtherance of the Parties' intentions to develop a collaborative Translational Research Program, the University may contribute a variety of TR Support, including but not limited to the following:

- (a) Coordination of clinical and translational research;
- (b) Institutional Review Board services;
- (c) Access to animal research facilities;
- (d) Access to and oversight by the Institutional Animal Care and Use Committee of animal-based research protocols;
- (e) Medical imaging technology support and education to facilitate enhanced utilization of Carle imaging equipment;
- (f) Pre-award proposal processing and submission for translational research activities and projects;
- (g) Access to and oversight by the Institutional BioSafety Committee (“**IBC**”) for translational research activities and projects;
- (h) Seed grant funding to spur translational activities and start-up packages to assist in recruiting and retaining clinician researchers essential to furthering the Parties' Translational Research Program, both subject to pre-approval by both parties;
- (i) Establishment and operation of translational research laboratory space;
- (j) Laboratory services, such as chemical, genomic, proteomic or metabolomic analysis;
- (k) Data storage and management services;
- (l) Technology management, including consultation and commercialization; and
- (m) Other in-kind support approved by Carle's Vice President of Research (“**Carle VPR**”) and the University Vice Chancellor of Research (“**University VCR**”).

3. Funds Administration.

(a) Annual Identification of TR Support. Carle's VPR and the University's VCR (or their qualified designees), building on the Carle budgeting process and discussions of relevant budget items, shall, as soon as reasonably practicable but no later than February 1 of each year, identify and document the TR Support to be provided by the University to the Translational Research Program during the University fiscal year beginning July 1 (“**Funding Year**”) of that calendar year. The Parties shall document the TR Support in an agreed written format (“**TR**

Support Proposal”). The Carle VPR and the University VCR (or their qualified designees) shall, as soon as reasonably practicable following execution of this Agreement, prepare a TR Support Proposal for the 2016 Funding Year (i.e., the Funding Year ending June 30, 2016), consistent with the timeline and milestones set forth in Exhibit A and Exhibit B hereto.

(b) Annual Valuation of TR Support. In consultation with Carle, appropriate units of the University shall value each element of the TR Support Proposal based on mutually agreed upon standard and accepted methodologies. This will include any adjustments identified during the reconciliation process between actual and estimated costs borne by the University between May 1 and June 30 of the previous Funding Year. Following their review and approval, the Carle VPR and University VCR shall forward the TR Support Proposal to the University Provost and Carle CFO for their consideration no later than February 1 of each year.

(c) Annual Approval. The Provost and the Carle CFO each shall review the TR Support Proposal in consultation with their respective research administrators and each other and may revise the TR Support Proposal as they each deem appropriate. On or before May 1, the Carle CFO and the Provost shall agree on and approve the final TR Support Proposal. The University is not obligated to contribute resources to the Translational Research Program until the TR Support Proposal has been so approved. The total value of TR Support in a Funding Year shall not exceed One Million Five Hundred Thousand Dollars (\$1,500,000) annually.

(d) Rolling Identification, Valuation and Approval of Interim TR Support. During the course of any Funding Year, including the 2016 Funding Year, the Parties may, in consultation with the other, identify specific translational research services or resources eligible for TR Support not previously included in a TR Support Proposal (“**Interim TR Support**”). If, after review and consultation, the Carle VPR and University VCR agree that the Interim TR Support is worth pursuing, the Interim TR Support shall undergo an expedited valuation process consistent with Section 3(b) above. This expedited valuation shall normally be completed within six (6) weeks of identification. The funding for Interim TR Support shall be consistent with the annual funding process described in Section 3(e) below.

(e) Annual Funding. The University Provost and VCR shall provide to the Carle VPR no later than April 30 of each year a written breakdown (“**TR Support Report**”) of TR Support already provided and projected to be provided in the Funding Year ending June 30 of that year. The TR Support Report will include any adjustments between actual and estimated costs borne by the University between May 1 and June 30 of the previous Funding Year as specified in the TR Support Proposal. The TR Support Report shall contain enough detail to enable Carle to determine the accuracy and allowability of the amounts presented. Each Party shall designate at least one individual to assist in the review of the TR Support Report. Carle shall pay to University the Carle Funding in an amount no less than the TR Support verified by Carle to be furnished by the University, but in no event more than the cap specified in subsection (c) immediately above. Carle will ensure such payment is received by University no later than two business days prior to June 30 of the Funding Year. The Carle CFO or designee shall be solely responsible for authorizing disbursement of Carle Funding.

(f) Annual Remittance. Carle will pay University the annual Carle Funding, as documented and approved above, by wire transfer to the following bank account:

| | |
|-----------------------------------|--|
| Financial Institution | J.P. Morgan Chase Bank, N.A. |
| Address | 10 South Dearborn Chicago, IL 60603-2300 USA |
| Nine-Digit Routing Transit Number | ██████████ |
| Depositor Account Title | The Board of Trustees of the University of Illinois, EDI Receipts and Federal Depository |
| Depositor Account Number | ██████████ |
| Type of Account | Checking |

4. Term and Termination.

(a) Term. This Agreement and the commitment of the Parties described herein shall commence on the Effective Date and shall continue for ten (10) years (the “**Term**”). The University VCR and Carle VPR shall, no later than the seventh anniversary of the Effective Date, initiate formal discussions to determine whether there is mutual interest in extending the Term. Any renewal or revision of this Agreement must be set forth in writing and signed by each of the Parties.

(b) Termination.

(i) Mutual Consent. This Agreement may be terminated upon written agreement of the Parties.

(ii) Material Breach. Either Party may terminate this Agreement by providing ninety (90) days' prior written notice if the other Party breaches any material provision of this Agreement and either the breach cannot be cured or, if the breach can be cured, it is not cured by the breaching Party to the reasonable satisfaction of the non-breaching Party within ninety (90) days after the breaching Party's receipt of written notice of such breach.

(iii) Effect of Termination. In the event of termination, no Party shall have any further obligation hereunder except for obligations accruing prior to the date of termination and those that survive termination.


5. General Matters.

This Agreement incorporates Sections 5.1-5.14 and Articles 11-13 of the Parties' Research Affiliation Agreement, effective on October 30, 2015.

[Signatures on the following page.]


IN WITNESS WHEREOF, each Party has caused its authorized signatory to sign this Agreement on the date indicated below.

THE CARLE FOUNDATION

By: 
Name: James C. Leonard, M.D.
Title: President and Chief Executive Officer


Date: 10-26-2015

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

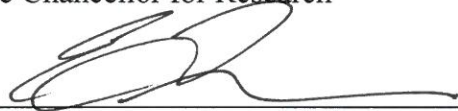
By: 
Name: Walter K. Knorr
Title: Comptroller

Date: 10-26-15

Campus Approvals:


Peter E. Schiffer
Vice Chancellor for Research

Date: 10-26-15


Edward Feser
Interim Provost and Vice Chancellor for Academic Affairs

Date: 10-28-15

Exhibit A

Translational Research Proposal, Timing & Funding Timeline

Proposed process for University Funding Year. The Funding Year corresponds to the University Fiscal Year in which services would be provided and Carle would make a payment.

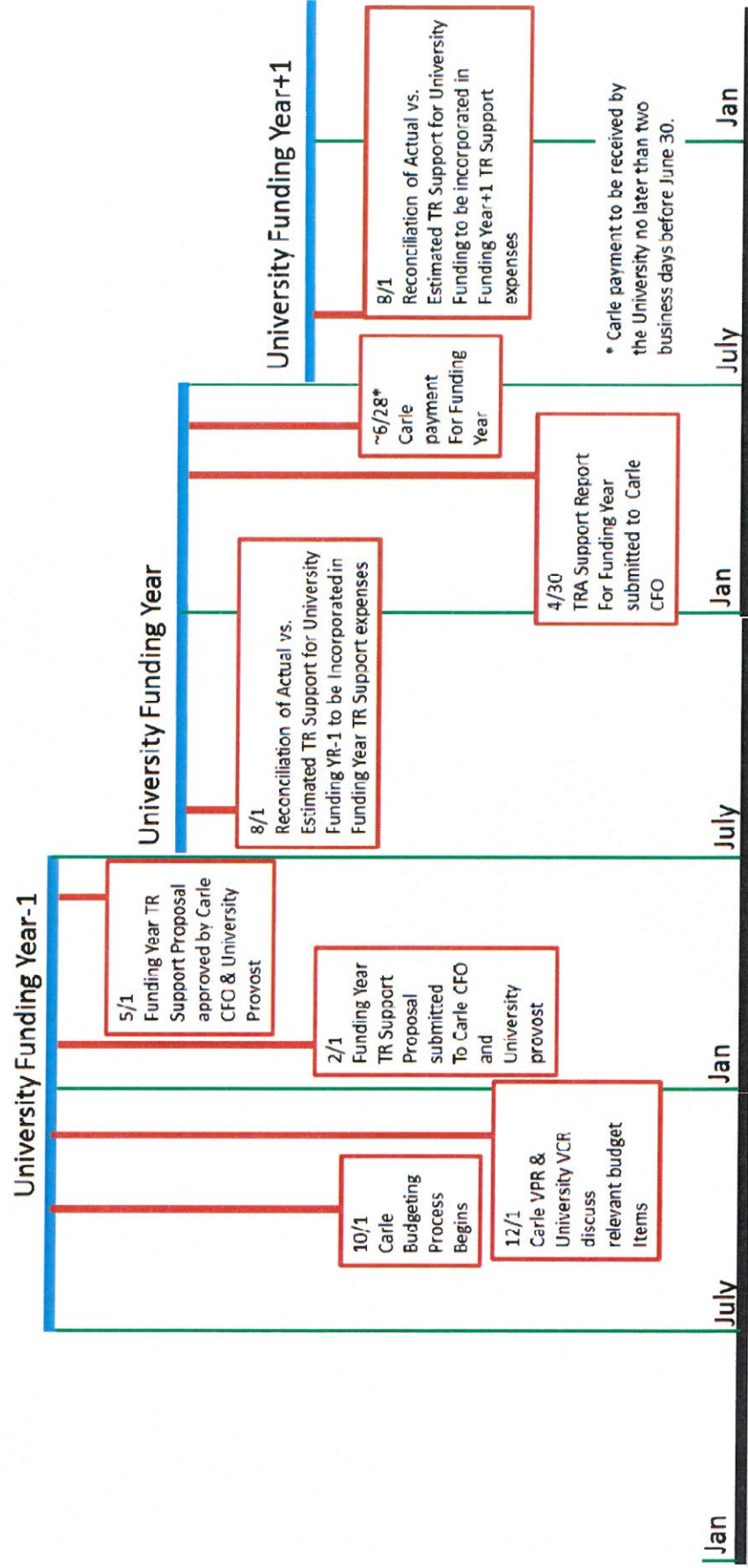


Exhibit B

Milestones for Annual Process

The following lists milestones for the regular review process related to the establishment of a TR Support proposal and its implementation for a given University Fiscal Year [July 1 to June 30] during which such support would be provided (“**Funding Year**”). The rolling identification, valuation and approval of Interim TR Support process, described in Section 3(f) of the Agreement, is not included here.

| Item | Responsible Party(ies) | Deadline |
|--|----------------------------------|---|
| Carle budget process begins | Carle CFO | October 1, Funding Year - 1 |
| Carle VPR and University VCR begin discussion of relevant budgeted items | Carle VPR and University VCR | December 1, Funding Year - 1 |
| TR Support Proposal submitted to Carle CFO and University Provost | Carle VPR and University VCR | February 1, Funding Year-1 |
| TR Support Proposal approved | Carle CFO and University Provost | May 1, Funding Year-1 |
| TR Support Report submitted to Carle CFO | University VCR and Provost | April 30, Funding Year |
| Carle payment completed | Carle CFO | Carle payment to be received by the University no later than two business days before June 30, Funding Year |
| Reconciliation of TR Support actual expenses vs estimated for Funding Year (to be incorporated in TR Support Report of Funding Year+1) | Provost’s Office | August 1, Funding Year+1 |